Virginia – Request to Amend 11 – W – 00297/3
Virginia Governor's Access Plan for the Seriously Mentally Ill (GAP) Demonstration

In accordance with the Special Terms and Conditions agreed to by both the Centers for Medicare and Medicaid Services (CMS) and the Virginia Department of Medical Assistance Services (DMAS), DMAS hereby submits the following requested amendment to the Governor's Access Plan for the Seriously Mentally Ill (GAP) Demonstration. The following amendment is structured in accordance with paragraph 7 of the Special Terms and Conditions.

a) An explanation of the public process used by the state, consistent with the requirements of paragraph 14 (adequacy of infrastructure), to reach a decision regarding the requested amendment;

   During Virginia's 2015 legislative session, members of the House and Senate came together during the budget conference process and agreed upon a proposal (further discussed in section d) and was ultimately approved by both chambers of the legislature and sent to the Governor for his signature. As an action of the Virginia legislature, this process was public and receives both formal and informal participation and monitoring by advocates, stakeholders, and state staff. There are some advocates in Virginia who are disappointed with the decision and have voiced their concerns with the program eligibility change both vocally and in writing. While amending the eligibility threshold is not the favored action of the administration, the action of the legislature to maintain benefits and services as currently offered through the program is greatly appreciated.

   Additional action by the department, regarding notification of the proposed amendment, includes posting the requested amendment on the GAP demonstration webpage, and subsequently notifying stakeholders of the information:
   http://www.dmas.virginia.gov/Content_atchs/gap/GAP%20Eligibility%20Threshold%20Amendment%20for%20Public%20Comment%20040215%20(2).pdf

   The requirements outlined in paragraph 14 are not of concern, the infrastructure of the GAP demonstration remains strong and intact. This amendment is the outcome of the action taken by the Virginia General Assembly. The Governor signed the budget on March 26th, 2015, with no changes. Therefore, the budget amendment, necessitating this change, is final.

b) A data analysis which identifies the specific "with waiver" impact of the proposed amendment on the current budget neutrality agreement. Such analysis shall include current total computable "with waiver" and "without waiver" status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the "with waiver" expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment;

   Please see attached excel spreadsheet.

c) An up to date CHIP allotment neutrality worksheet, if necessary;

Not applicable

d) A detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation;

Pertaining to the outlined process for determining the need for this amendment, the budget language dictating the specific eligibility parameters can be found in Attachment A. Essentially, effective July 1, 2015, individuals with serious mental illness who apply to the program and meet other eligibility criteria may have a household income up to 60% (55 +5% income disregard) of the federal poverty level (FPL). Concerning individuals enrolled in the program, prior to this legislative change, all individuals between 61% and 100% of the FPL enrolled in the demonstration as of May 15, 2015, who continue to meet other program eligibility rules, shall maintain enrollment in the demonstration until their next eligibility renewal period or July 1, 2016, whichever comes first.

It has been expressed by stakeholders and is understood by state staff, that individuals who currently receive services but who will lose eligibility based on the qualify FPL change, will need to be strongly supported during their transition. DMAS will work with the existing contractors and the existing local community services boards and other preferred pathway partners to ensure that these individuals have supports needed to continue to seek stability of the physical and mental health needs of the GAP members transitioning out of the program. DMAS is closely monitoring the number of individuals possibly impacted by this change in eligibility, and as of April 7, 2015, 220 individuals will lose coverage at the end of their eligibility year, or by July 1, 2016.

e) If applicable, a description of how the evaluation designs will be modified to incorporate the amendment provisions.

The GAP demonstration evaluation design will not need to be modified as a result of these amendment provisions.

APPENDIX A

Item 301 #2c (modified to reflect changes to the GAP demonstration, ONLY)
Health and Human Resources
Language:
Page 257, line 32, strike "$8,136,734,114" and insert "$8,167,666,603"**.**
Page 257, line 32, strike "$8,515,698,638" and insert "$8,739,983,324"**.**
Page 281, after line 10, insert:
"OOOO.1. The Department of Medical Assistance Services shall amend the Medicaid demonstration project (Project Number 11-W-00297/3) to modify eligibility provided through the project to individuals with serious mental illness to be effective July 1, 2015. Income eligibility shall be modified to limit services to seriously mentally ill adults with effective household incomes up to 60 percent of the federal poverty level (FPL). All individuals enrolled in this Medicaid demonstration project with incomes between 61% and 100% of the Federal Poverty Level as of May15, 2015 who continue to meet other program eligibility rules, shall maintain enrollment in the demonstration until their next eligibility renewal period or July 1, 2016, whichever comes first. Benefits shall include the following services: (i) primary care office visits including diagnostic and treatment services performed in the physician's office, (ii) outpatient specialty care, consultation, and treatment, (iii) outpatient hospital including observation and ambulatory diagnostic procedures, (iv) outpatient laboratory, (v) outpatient pharmacy, (vi) outpatient telemedicine, (vii) medical equipment and supplies for diabetic treatment, (viii) outpatient psychiatric treatment, (ix) mental health case management, (x) psychosocial rehabilitation assessment and psychosocial rehabilitation services, (xi) mental health crisis intervention, (xii) mental health crisis stabilization, (xiii) therapeutic or diagnostic injection, (xiv) behavioral telemedicine, (xv) outpatient substance abuse treatment services, and (xvi) intensive outpatient substance abuse treatment services. Care coordination, Recovery Navigation (peer supports), crisis line and prior authorization for services shall be provided through the agency's Behavioral Health Services Administrator. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

Explanation:
(This amendment adds $14.9 million from the general fund and $16.0 million from nongeneral funds the first year and $104.3 million from the general fund and $119.9 million from nongeneral funds the second year to (i) provide limited medical services, including coverage of prescription medicines, and a robust set of behavioral health services to 21,600 adults with serious mental illness with incomes at or below 60 percent of the federal poverty

	A	B	C	D	E	F	G
1	**5 YEARS OF HISTORIC DATA**						
2							
3	**SPECIFY TIME PERIOD AND ELIGIBILITY GROUP DEPICTED:**						
4							
5	**Non-LTC Disabled Adults with SMI**	**SFY 2010**	**SFY 2011**	**SFY 2012**	**SFY 2013**	**SFY 2014**	**5-YEARS**
6	**TOTAL EXPENDITURES**	$ 1,152,815,523	$ 1,327,142,595	$ 1,323,507,206	$ 1,507,211,170	$ 1,667,366,289	$ 6,978,042,782
7	**ELIGIBLE MEMBER MONTHS**	814,944	859,896	874,128	945,144	984,912	
8	**PMPM COST**	$ 1,414.59	$ 1,543.38	$ 1,514.09	$ 1,594.69	$ 1,692.91	
9	**TREND RATES**						**5-YEAR**
10				**ANNUAL CHANGE**			**AVERAGE**
11	TOTAL EXPENDITURE		15.12%	-0.27%	13.88%	10.63%	9.66%
12	ELIGIBLE MEMBER MONTHS		5.52%	1.66%	8.12%	4.21%	4.85%
13	PMPM COST		9.10%	-1.90%	5.32%	6.16%	4.59%
14							
15							
16	**Other Data**	**HY 1**	**HY 2**	**HY 3**	**HY 4**	**HY 5**	**5-YEARS**
17	**TOTAL EXPENDITURES**	$ 75,403,373	$ 105,400,535	$ 117,311,422	$ 110,121,194	$ 108,883,807	$ 517,120,330
18	**ELIGIBLE MEMBER MONTHS**	176,926	207,616	219,846	172,353	167,514	
19	**PMPM COST**	$ 426.18	$ 507.67	$ 533.61	$ 638.93	$ 650.00	
20	**TREND RATES**						**5-YEAR**
21				**ANNUAL CHANGE**			**AVERAGE**
22	TOTAL EXPENDITURE		39.78%	11.30%	-6.13%	-1.12%	9.62%
23	ELIGIBLE MEMBER MONTHS		17.35%	5.89%	-21.60%	-2.81%	-1.36%
24	PMPM COST		19.12%	5.11%	19.74%	1.73%	11.13%
25							
26							
27							
28	Non-LTC Disabled Adults with SMI 1. Unduplicated individuals were identified using diagnosis set run against FFS and Encounter claims. Recipients with indicators of LTC were excluded. 2. All paid claims (FFS, Capitation) were pulled for identified individuals. 3. In prior years where some claim types were not available, average cost per person for that service was obtained and multiplied by the number of indentified identified in the cohort for the year.						

	A	B	C	D	E	F	G	H	I	J	K	L
1	DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS											
2												
3												
4	**ELIGIBILITY**	**TREND**	**MONTHS**	**BASE YEAR**	**TREND**	**DEMONSTRATION YEARS (DY)**					**TOTAL**	
5	**GROUP**	**RATE 1**	**OF AGING**	**DY 00**	**RATE 2**	**DY 01**	**DY 02**	**DY 03**	**DY 04**	**DY 05**	**WOW**	
6												
7	**Non-LTC Disabled Adults with SMI**											
8	**Pop Type:**	**Medicaid**										
9	Eligible Member Months	4.9%	6	1,008,513	4.9%	1,057,426	1,108,711	1,162,484	1,218,864	1,277,979		
10	PMPM Cost	4.6%	6	$1,731.41	4.6%	$1,811.05	$1,894.36	$1,981.50	$2,072.65	$2,167.99		
11	Total Expenditure					$ 1,915,051,787	$ 2,100,298,546	$ 2,303,461,873	$ 2,526,279,263	$ 2,770,646,354	$ 11,615,737,822	
12												
13												
14												
15												
16												
17												
18												
19												

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	DY 00	DEMO TREND RATE	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
Non-LTC Disabled Adults with SMI								
Pop Type: Medicaid								
Eligible Member Months	1,008,513	4.9%	991,678	876,607	930,380	986,760	1,045,875	
PMPM Cost	$ 1,731.41	4.6%	$ 1,811.05	$ 1,894.36	$ 1,981.50	$ 2,072.65	$ 2,167.99	
Total Expenditure			$ 1,795,978,871	$ 1,660,610,012	$ 1,843,547,797	$ 2,045,208,907	$ 2,267,447,203	$ 9,612,792,791
GAP Population								
Pop Type: Expansion								
Eligible Member Months			65,748	232,104	232,104	232,104	232,104	
PMPM Cost	$ 650.00	11.13%	$ 722.35	$ 802.75	$ 892.10	$ 991.39	$ 1,101.73	
Total Expenditure			$ 47,493,068	$ 186,321,486	$ 207,059,978	$ 230,105,585	$ 255,715,940	$ 926,696,057

With the proposed 1115 Demonstration waiver, individuals served through the GAP program are assumed to be diverted from obtaining a disability determination and thereby qualifying for full-Medicaid benefits under current Virginia eligibility levels.

The proposed 1115 Demonstration waiver seeks to provide a limited coverage benefit to individuals with severe mental illness at or below 60% FPL. Historical costs for Caretaker Adults (currently covered up to approximately 40% FPL) with severe mental illness (identified by claim-level analysis) were used as the base estimate for this populaton. The estimate was further modified by additional claim level analysis to replicate the proposed GAP benefit package. Since the majority of current caretaker adults receive their general acute medical care through capitated managed care, some of this analysis depended on applying percentages of the capitation rate payment obtained from our consulting actuary. Member Months are determined using the estimated monthly enrollment in the GAP program.

No change in WOW. WOW group had 1 million MM in DY1. Because a diversion, there's a formula.

DY1: Average monthly enrollment of 14,939; in second year, average monthly enrollment of 22,491. Seta didn't know about waitlist. In second curve, S curve that flattens out.

NOTES

For a per capita budget neutrality model, the trend for member months is the same in the with-waiver projections as in the without-waiver projections. This is the default setting.

Panel 1: Historic DSH Claims for the Last Five Fiscal Years:

RECENT PAST FEDERAL FISCAL YEARS	20__	20__	20__	20__	20__
State DSH Allotment (Federal share)					
State DSH Claim Amount (Federal share)					
DSH Allotment Left Unspent (Federal share)	$ -	$ -	$ -	$ -	$ -

Panel 2: Projected Without Waiver DSH Expenditures for FFYs That Overlap the Demonstration Period

FEDERAL FISCAL YEARS THAT OVERLAP DEMONSTRATION YEARS	FFY 00 (20__)	FFY 01 (20__)	FFY 02 (20__)	FFY 03 (20__)	FFY 04 (20__)	FFY 05 (20__)
State DSH Allotment (Federal share)						
State DSH Claim Amount (Federal share)						
DSH Allotment Projected to be Unused (Federal share)	$ -	$ -	$ -	$ -	$ -	$ -

Panel 3: Projected With Waiver DSH Expenditures for FFYs That Overlap the Demonstration Period

FEDERAL FISCAL YEARS THAT OVERLAP DEMONSTRATION YEARS	FFY 00 (20__)	FFY 01 (20__)	FFY 02 (20__)	FFY 03 (20__)	FFY 04 (20__)	FFY 05 (20__)
State DSH Allotment (Federal share)	$ -	$ -	$ -	$ -	$ -	$ -
State DSH Claim Amount (Federal share)						
Maximum DSH Allotment Available for Diversion (Federal share)						
Total DSH Alltoment Diverted (Federal share)	$ -	$ -	$ -	$ -	$ -	$ -
DSH Allotment Available for DSH Diversion Less Amount Diverted (Federal share, must be non-negative)	$ -	$ -	$ -	$ -	$ -	$ -
DSH Allotment Projected to be Unused (Federal share, must be non-negative)	$ -	$ -	$ -	$ -	$ -	$ -

Panel 4: Projected DSH Diversion Allocated to DYs

DEMONSTRATION YEARS		DY 01	DY 02	DY 03	DY 04	DY 05
DSH Diversion to Leading FFY (total computable)						
FMAP for Leading FFY						
DSH Diversion to Trailing FFY (total computable)						
FMAP for Trailing FFY						
Total Demo Spending From Diverted DSH (total computable)		$ -	$ -	$ -	$ -	$ -

Budget Neutrality Summary

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Medicaid Populations						
Non-LTC Disabled Adults with SMI	$ 1,915,051,787	$ 2,100,298,546	$ 2,303,461,873	$ 2,526,279,263	$ 2,770,646,354	$ 11,615,737,822
TOTAL	$ 1,915,051,787	$ 2,100,298,546	$ 2,303,461,873	$ 2,526,279,263	$ 2,770,646,354	$ 11,615,737,822

With-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Medicaid Populations						
Non-LTC Disabled Adults with SMI	$ 1,795,978,871	$ 1,660,610,012	$ 1,843,547,797	$ 2,045,208,907	$ 2,267,447,203	$ 9,612,792,791
Expansion Populations						
GAP Population	$ 47,493,068	$ 186,321,486	$ 207,059,978	$ 230,105,585	$ 255,715,940	$ 926,696,057
TOTAL	$ 1,843,471,939	$ 1,846,931,498	$ 2,050,607,776	$ 2,275,314,492	$ 2,523,163,143	$ 10,539,488,847
VARIANCE	$ 71,579,848	$ 253,367,047	$ 252,854,098	$ 250,964,771	$ 247,483,211	$ 1,076,248,975

Population Status Drop-Down
Medicaid
Hypothetical
Expansion